Basel III Pillar 3 Disclosures

30 June 2026

عاماً متحدون
years united

Contents

1. Introduction

This document provides Pillar 3 disclosures for United Arab Bank PJSC ("UAB" or "the Bank") as of 30 June 2026 with the objective of allowing market participants to assess key information on the Bank's capital, risk exposures and risk assessment process.

The Bank is regulated by the Central Bank of UAE ("CBUAE") and follows the Pillar 3 disclosure requirements as stated in the CBUAE guidelines on the implementation of Basel III standards, issued in November 2020 with subsequent updates in December 2022. The Pillar 3 disclosures contain both quantitative and qualitative information and are to be read in conjunction with the unaudited Financial Statements as at 30 June 2026.

The Basel Committee on Banking Supervision (BCBS) Basel III Capital Adequacy Framework consists of three pillars. Pillar 1 provides a framework for measuring minimum capital requirements for credit, market and operational risks faced by banks. Pillar 2 allows banks and supervisors to take a view on whether the bank should hold additional capital to cover the three Pillar 1 risks and additionally to cover other material risks, where required. Pillar 3 requires banks to publish a range of disclosures, mainly covering risk, capital, leverage, liquidity and remuneration.

The capital requirements are computed using the Basel III framework of the Basel Committee on Banking Supervision, after applying the amendments advised by the CBUAE, within national discretion.

The report is prepared as per the enhanced Pillar 3 Disclosure requirements guidelines issued by CBUAE in November 2020 with subsequent updates in December 2022 and are effective for the year ended 31 December 2022. The enhanced Pillar 3 disclosures focus on regulatory measures required under Pillar 1 of the Basel framework for measuring credit, market and operational risks and their associated resulting risk-weighted assets (RWA) and capital requirements. In some instances, Pillar 3 also requires supplementary information to be disclosed to improve the understanding of underlying risks.

The CBUAE issued Basel III capital regulations, which came into effect from 1 February 2017 introducing minimum capital requirements at three levels, namely Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Total Capital. Additional capital buffers include Capital Conservation Buffer and Countercyclical Capital Buffer, with a maximum up to 2.5% for each buffer, over and above the minimum CET1 requirement of 7.0% and minimum Total Capital Ratio of 10.5%.

CBUAE requires the Pillar 2 Supervisory Review Process to focus on each bank's Internal Capital Adequacy Assessment Process (ICAAP) in addition to Pillar 1 Capital calculations. The ICAAP should include a risk based forward looking view of, but not limited to, Credit, Market and Operational Risk Capital.

The purpose of Pillar 3 Market Discipline, is to complement the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2). The CBUAE supports the enhanced market discipline through a set of disclosure requirements which will allow market participants to assess key information regarding capital adequacy of the Bank through various views such as the scope of application, capital, risk exposure and risk assessment process.

The revised Pillar 3 disclosures, based on a common framework, are an effective means of informing the market about the risks faced by the Bank, and provide a consistent and understandable disclosure framework that enhances transparency and improves comparability and consistency.

In compliance with the CBUAE Basel III standards and guidelines, these disclosures include qualitative and quantitative information on the Bank's risk management objectives and policies, risk assessment processes, capital management and capital adequacy.

The Pillar 3 Disclosures for the half-year 2026 have been appropriately reviewed by the management and internal audit.

2. About the Bank

United Arab Bank P.J.S.C. (the "Bank") was incorporated in 1975 as a Private Joint Stock Company in the Emirate of Sharjah. The legal form of the Bank was converted to a public company with limited liability in 1982 by a decree of His Highness The Ruler of Sharjah and has been registered as a Public Joint Stock Company under the UAE Commercial Companies Law No. (8) of 1984 (as amended). The Bank's registered office is located in the Emirate of Sharjah, United Arab Emirates.

The address of the registered office is PO Box 25022, Sharjah, United Arab Emirates. The Bank carries out the business of commercial banking through its offices and branches in the United Arab Emirates. The Bank also carries out Islamic banking operations through Islamic banking windows at selected branches. The Bank does not have any subsidiaries and accordingly there is no consolidation.

2.1. KM1: Overview of Risk Management, Key Prudential Metrics and RWA

AED 000s

		30-Jun-2026	31-Mar-2026	31-Dec-2025	30-Sep-2025	30-Jun-2025
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	3,427,570	3,223,180	3,303,283	3,361,265	2,179,720
1a	Fully loaded ECL accounting model	3,427,570	3,223,180	3,303,283	3,361,265	2,179,720
2	Tier 1	3,978,445	3,774,055	3,854,158	3,912,140	2,730,595
2a	Fully loaded ECL accounting model Tier 1	3,978,445	3,774,055	3,854,158	3,912,140	2,730,595
3	Total capital	4,211,493	4,003,379	4,076,062	4,124,517	2,942,583
3a	Fully loaded ECL accounting model total capital	4,211,493	4,003,379	4,076,062	4,124,517	2,942,583
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	19,915,359	19,662,074	18,945,987	18,125,734	18,039,656
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	17.2%	16.4%	17.4%	18.5%	12.1%
5a	Fully loaded ECL accounting model CET1 (%)	17.2%	16.4%	17.4%	18.5%	12.1%
6	Tier 1 ratio (%)	20.0%	19.2%	20.3%	21.6%	15.1%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	20.0%	19.2%	20.3%	21.6%	15.1%
7	Total capital ratio (%)	21.1%	20.4%	21.5%	22.8%	16.3%
7a	Fully loaded ECL accounting model total capital ratio (%)	21.1%	20.4%	21.5%	22.8%	16.3%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	0.0%	0.0%	0.5%	0.5%	0.0%
10	Bank D-SIB additional requirements (%)	0.0%	0.0%	0.0%	0.0%	0.0%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.5%	2.5%	3.0%	3.0%	2.5%
12	CET1 available after meeting the bank's minimum capital requirements (%)	10.2%	9.4%	10.4%	11.5%	5.1%

	Leverage Ratio					
13	Total leverage ratio measure	31,810,192	29,894,605	30,166,228	29,551,267	26,563,647
14	Leverage ratio (%) (row 2/row 13)	12.5%	12.6%	12.8%	13.2%	10.3%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	12.5%	12.6%	12.8%	13.2%	10.3%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	12.5%	12.6%	12.8%	13.2%	10.3%
	Liquidity Coverage Ratio					
15	Total HQLA					
16	Total net cash outflow					
17	LCR ratio (%)					
	Net Stable Funding Ratio					
18	Total available stable funding					
19	Total required stable funding					
20	NSFR ratio (%)					
	ELAR					
21	Total HQLA	4,137,820	3,712,057	4,003,914	2,905,656	3,523,721
22	Total liabilities	23,692,966	23,032,458	22,959,050	20,421,256	21,048,537
23	Eligible Liquid Assets Ratio (ELAR) (%)	17.5%	16.1%	17.4%	14.2%	16.7%
	ASRR					
24	Total available stable funding	20,831,867	19,492,134	20,759,250	16,682,348	16,620,048
25	Total Advances	15,121,574	14,319,492	14,499,312	13,583,199	13,224,810
26	Advances to Stable Resources Ratio (%)	72.6%	73.5%	69.8%	81.4%	79.6%

Note 1: "Fully Loaded" means bank's regulatory capital compared with a situation where the transitional arrangement had not been applied. CBUAE introduced transitional arrangements as per circular no. 04 / 2020 "Regulation Regarding Accounting Provisions and Capital Requirements - Transitional Arrangements". UAB has not used the transitional arrangement.

2.2. OV1: Overview of Risk Weighted Assets

AED '000

		RWA		Minimum Capital Requirements
		30-Jun-2026	**31-Mar-2026**	**30-Jun-2026**
1	Credit risk (excluding counterparty credit risk)	18,470,218	18,280,980	1,939,373
2	Of which: standardised approach (SA)	18,470,218	18,280,980	1,939,373
3	Of which: foundation internal ratings-based (F-IRB) approach			
4	Of which: supervisory slotting approach			
5	Of which: advanced internal ratings-based (A-IRB) approach			
6	Counterparty credit risk (CCR)	102,324	24,261	10,744
7	Of which: standardised approach for counterparty credit risk	102,324	24,261	10,744
8	Of which: Internal Model Method (IMM)			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)	71,282	40,724	7,485
11	Equity positions under the simple risk weight approach			
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)			
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	10,376	7,569	1,089
21	Of which: standardised approach (SA)	10,376	7,569	1,089
22	Of which: internal models approach (IMA)			
23	Operational risk	1,261,159	1,308,540	132,422
24	Amounts below thresholds for deduction (subject to 250% risk weight)			
25	Floor adjustment			
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**19,915,359**	**19,662,074**	**2,091,113**

*The minimum capital requirements applied is 10.5% (excluding Capital Conservation Buffer).

3. CC1: Composition of Capital

AED 000s

		30 Jun 2026	Reference
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	3,093,826	CC2 (f)
2	Retained earnings	190,551	CC2(g)
3	Accumulated other comprehensive income (and other reserves)	203,506	CC2 (h)+(i)+(j)+(k)
4	*Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)*	-	
5	Common share capital issued by third parties (amount allowed in group CET1)	-	
6	**Common Equity Tier 1 capital before regulatory deductions**	**3,487,883**	
	Common Equity Tier 1 capital regulatory adjustments		
7	Prudent valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Other intangibles including mortgage servicing rights (net of related tax liability)	60,313	CC2 (b)
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash flow hedge reserve	-	
12	Securitisation gain on sale	-	
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
14	Defined benefit pension fund net assets	-	
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	-	
17	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
18	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
20	Amount exceeding 15% threshold	-	
21	Of which: significant investments in the common stock of financials	-	
22	Of which: deferred tax assets arising from temporary differences	-	
23	CBUAE specific regulatory adjustments	-	
24	**Total regulatory adjustments to Common Equity Tier 1**	60,313	
25	**Common Equity Tier 1 capital (CET1)**	**3,427,570**	

	Additional Tier 1 capital: instruments		
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	550,875	CC2 (l)
27	*Of which: classified as equity under applicable accounting standards*	550,875	
28	*Of which: classified as liabilities under applicable accounting standards*	-	
29	Directly issued capital instruments subject to phase-out from additional Tier 1	-	
30	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	-	
31	*Of which: instruments issued by subsidiaries subject to phase-out*	-	
32	Additional Tier 1 capital before regulatory adjustments	550,875	
	Additional Tier 1 capital: regulatory adjustments		
33	Investments in own additional Tier 1 instruments	-	
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
36	CBUAE specific regulatory adjustments	-	
37	Total regulatory adjustments to additional Tier 1 capital	-	
38	**Additional Tier 1 capital (AT1)**	**550,875**	
39	**Tier 1 capital (T1= CET1 + AT1)**	**3,978,445**	
	Tier 2 capital: instruments and provisions		
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
41	Directly issued capital instruments subject to phase-out from Tier 2	-	
42	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 30) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
43	*Of which: instruments issued by subsidiaries subject to phase-out*	-	
44	Provisions	233,048	
45	**Tier 2 capital before regulatory adjustments**	**233,048**	
	Tier 2 capital: regulatory adjustments		
46	Investments in own Tier 2 instruments	-	
47	Investments in capital, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
48	Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
49	CBUAE specific regulatory adjustments	-	
50	**Total regulatory adjustments to Tier 2 capital**	-	
51	**Tier 2 capital (T2)**	**233,048**	
52	**Total regulatory capital (TC = T1 + T2)**	**4,211,493**	
53	**Total risk-weighted assets**	**19,915,359**	

	Capital ratios and buffers		
54	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	17.2%	
55	**Tier 1 (as a percentage of risk-weighted assets)**	20.0%	
56	**Total capital (as a percentage of risk-weighted assets)**	21.1%	
57	**Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)**	2.5%	
58	**Of which: capital conservation buffer requirement**	2.5%	
59	**Of which: bank-specific countercyclical buffer requirement**	0.0%	
60	**Of which: higher loss absorbency requirement (e.g. DSIB)**	0.0%	
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.**	10.2%	
	The CBUAE Minimum Capital Requirement		
62	Common Equity Tier 1 minimum ratio	7.0%	
63	Tier 1 minimum ratio	8.5%	
64	Total capital minimum ratio	10.5%	
	Amounts below the thresholds for deduction (before risk weighting)		
65	Non-significant investments in the capital and other TLAC liabilities of other financial entities	-	
66	Significant investments in common stock of financial entities	-	
67	Mortgage servicing rights (net of related tax liability)	-	
68	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
	Applicable caps on the inclusion of provisions in Tier 2		
69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	279,674	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	233,048	
71	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
72	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2023)		
73	*Current cap on CET1 instruments subject to phase-out arrangements*	-	
74	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	-	
75	*Current cap on AT1 instruments subject to phase-out arrangements*	-	
76	*Amount excluded from AT1 due to cap (excess after redemptions and maturities)*	-	
77	*Current cap on T2 instruments subject to phase-out arrangements*	-	
78	*Amount excluded from T2 due to cap (excess after redemptions and maturities)*	-	

3.1. CC2: Reconciliation of regulatory capital to balance sheet

The following table enables users to identify the differences between the scope of accounting balance sheet and the scope of regulatory balance sheet, and to show the link between the bank's balance sheet in its published financial statements and the numbers that are used in the composition of capital disclosure template set out in Template CC1. Variances between the financial and regulatory balance sheets are consistent with LI1 disclosure.

June 2026 **AED 000s**

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end	As at period-end	
Assets			
Cash and balances at central banks	2,559,528	2,559,528	
Items in the course of collection from other banks	-	-	
Trading portfolio assets	-	-	
Loans and advances to banks	578,082	578,082	
Loans and advances to customers	15,327,559	15,327,559	
Financial investments designated at amortised cost	3,206,941	3,206,941	
Reverse repurchase agreements and other similar secured lending	-	-	
Available for sale financial investments (Includes FVOCI)	5,079,822	5,079,822	
Derivative financial instruments	32,693	32,693	
Current and deferred tax assets	-	-	
Prepayments, accrued income and other assets	451,893	451,893	
Investments in associates and joint ventures	-	-	
Goodwill and other intangible assets	60,313	60,313	
Of which: goodwill	-	-	(a)
Of which: intangibles (excluding MSRs)	60,313	60,313	(b)
Of which: MSRs	-	-	(c)
Customer Acceptances	229,446	229,446	
Property, plant and equipment	221,802	221,802	
Total assets	**27,748,079**	**27,748,079**	
Liabilities			
Deposits from banks	1,958,153	1,958,153	
Items in the course of collection due to other banks	-	-	
Customer accounts	18,166,081	18,166,081	
Repurchase agreements and other similar secured borrowing	1,970,700	1,970,700	
Medium Term Borrowing	1,000,000	1,000,000	
Trading portfolio liabilities	-	-	
Financial liabilities designated at fair value	-	-	
Derivative financial instruments	8,393	8,393	
Debt securities in issue	-	-	
Accruals, deferred income and other liabilities	262,435	262,435	
Current and deferred tax liabilities	67,907	67,907	
Of which: DTLs related to goodwill	-	-	(d)

Of which: DTLs related to intangible assets (excluding MSRs)	-	-	(e)
Of which: DTLs related to MSRs	-	-	
Subordinated liabilities	-	-	
Customer Acceptances	229,446	229,446	
Provisions	19,833	19,833	
Retirement benefit liabilities	26,373	26,373	
Total liabilities	**23,709,321**	**23,709,321**	
Shareholders' equity			
Paid-in share capital	3,093,826	3,093,826	(f)
Retained Earnings/(Accumulated Losses)	190,551	190,551	(g)
Accumulated other comprehensive income	(78,537)	(78,537)	(h)
Special Reserve	121,904	121,904	(i)
Statutory Reserve	150,828	150,828	(j)
General Reserve	9,311	9,311	(k)
Treasury Shares	-	-	
Tier 1 instrument	550,875	550,875	(l)
Total shareholders' equity	**4,038,758**	**4,038,758**	

3.2. CCA: Main features of regulatory capital instruments

The issued and fully paid-up share capital of the Bank comprises 3,093,825,974 (31 December 2025: 3,093,825,974) shares of AED 1 each.

1	**Issuer**	**United Arab Bank PJSC**	**United Arab Bank PJSC**	**United Arab Bank PJSC**
2	Unique identifier (eg. CUSIP, ISIN or Bloomberg identifier for private placement)	AEU000601010	UABRI25 UH	XS2575866699
3	Governing law(s) of the instrument	UAE Law	UAE Law	English Law
	Regulatory treatment			
4	Transitional arrangement rules (i.e. grandfathering)	N/A	N/A	N/A
5	Post-transitional arrangement rules (i.e. grandfathering)	N/A	N/A	N/A
6	Eligible at solo/group/group and solo	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Ordinary Shares	Equity
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	AED 2,062	AED 1,031	USD 150
9	Nominal amount of instrument	N/A	AED 1	USD 150
9a	Issue price	N/A	N/A	USD 150
9b	Redemption price	As per Market Value	As per Market Value	USD 150
10	Accounting classification	Shareholder's Equity	Shareholder's Equity	Additional Tier 1 Capital
11	Original date of issuance	N/A	N/A	30-Mar-2023
12	Perpetual or dated	N/A	N/A	Perpetual
13	Original maturity date	N/A	N/A	N/A
14	Issuer call subject to prior supervisory approval	N/A	N/A	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	30-Mar-2028
16	Subsequent call dates, if applicable	N/A	N/A	N/A
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Dividend	Dividend	Fixed for first 5 years
18	Coupon rate and any related index	N/A	N/A	8.060%
19	Existence of a dividend stopper	N/A	N/A	N/A
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Full discretionary	Full discretionary	Full discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Full discretionary	Full discretionary	Full discretionary
21	Existence of step-up or other incentive to redeem	N/A	N/A	N/A
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	N/A	N/A	Non-convertible
24	Write-down feature	N/A	N/A	Yes
25	If write-down, write-down trigger(s)	N/A	N/A	Nonviability event
26	If write-down, full or partial	N/A	N/A	Full
27	If write-down, permanent or temporary	N/A	N/A	Full
28	If temporary write-own, description of writeup mechanism	N/A	N/A	N/A
28a	Type of subordination	N/A	N/A	Junior Subordinated
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/A	N/A	Junior to all senior obligations
30	Non-compliant transitioned features	N/A	N/A	N/A
31	If yes, specify non-compliant features	N/A	N/A	N/A

4. Macro Prudential

CCyB1: Geographical distribution of credit exposures used in the countercyclical buffer

Counter-cyclical capital buffer (CCyB) requirement is determined on a weighted average basis based on country-specific CCyB rates applied to the Bank's qualifying credit exposures. Majority of the bank's exposures are in UAE with limited exposures contributing to CCyB requirement.

June 2026 **AED 000s**

Geographical breakdown	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
		Exposure values	Risk-weighted assets		
United Arab Emirates	0.00%	12,887,917	11,821,780		
Oman	0.00%	277,740	277,740		
Saudi Arabia	0.00%	269,846	190,306		
Turkey	0.00%	186,486	186,486		
Bahrain	0.00%	83,947	83,947		
Marshall Islands	0.00%	85	72		
France	1.00%	76	76		
Sum		**13,706,096**	**12,560,407**		
Total		**13,706,096**	**12,560,407**	0.00%	1

5. Leverage Ratio

The Basel 3 leverage ratio is calculated by dividing the tier 1 capital by the leverage ratio exposure. The Leverage Ratio Exposure consists of IFRS on-balance sheet assets and off-balance sheet items. Derivative exposures are calculated by including replacement value, Potential Future Exposures (PFE) and eligible cash variation margin netting, the current exposure method add-on and net notional amounts for written credit derivatives. The table on the next page shows the difference between total IFRS assets per IFRS consolidation scope and the BCBS total on balance sheet exposures. Those exposures are the starting point for calculating the BCBS Leverage Ratio Exposure, as shown in the LR2 table. The difference is due to the application of the regulatory scope of consolidation for the purpose of the BCBS calculation. In addition, carrying amounts for derivative financial instruments and securities financing transactions (SFTs) are deducted from IFRS total assets. They are measured differently under BCBS leverage ratio rules and are therefore added back in separate exposure line items in the LR2 table.

5.1. LR1: Summary Comparison of Accounting Assets Vs Leverage Ratio Exposure

AED 000s

		30-Jun-2026	31-Mar-2026
1	Total consolidated assets as per published financial statements	27,748,079	26,892,936
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustments for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	139,512	(100,096)
9	Adjustment for securities financing transactions (ie repos and similar secured lending)	334,004	282,861
10	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	3,588,597	2,818,905
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-
12	Other adjustments	-	-
13	**Leverage ratio exposure measure**	**31,810,192**	**29,894,605**

5.2. LR2: Leverage Ratio Common Disclosure Template

AED 000s

		30-Jun-2026	31-Mar-2026
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	27,715,386	26,862,949
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(3,888)	(49,728)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(60,313)	(68,016)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**27,651,186**	**26,745,205**
Derivative exposures			
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	23,475	12,913
9	Add-on amounts for PFE associated with *all* derivatives transactions	145,386	21,112
10	(Exempted CCP leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivative exposures (1.4 x (rows 8+9) + sum of rows 10 to 12)**	**236,405**	**47,635**
Securities financing transactions			
14	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	2,304,046	2,769,530
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(1,970,042)	(2,486,669)
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	**334,004**	**282,861**
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	6,945,712	5,926,534
20	(Adjustments for conversion to credit equivalent amounts)	(3,357,115)	(3,107,629)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	**Off-balance sheet items (sum of rows 19 to 21)**	**3,588,597**	**2,818,905**
Capital and total exposures			
23	**Tier 1 capital**	**3,978,445**	**3,774,055**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**31,810,192**	**29,894,605**
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**12.5%**	**12.6%**
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	**12.5%**	**12.6%**
26	CBUAE minimum leverage ratio requirement	**3.0%**	**3.0%**
27	**Applicable leverage buffers**	**9.5%**	**9.6%**

6. Liquidity Risk Management

6.1. LIQ1: Liquidity Coverage Ratio (LCR)

We are not subject to the Liquidity Coverage Ratio (LCR) reporting requirements mandated by CBUAE. The LCR is a regulatory measure designed to ensure that financial institutions maintain sufficient liquid assets to cover short-term liquidity needs during times of financial stress. However, due to our status as a small bank, we are exempt from this requirement. However, we remain committed to maintaining prudent liquidity management practices to safeguard the stability and resilience of our operations.

6.2. LIQ2: Net Stable Funding Ratio (NSFR)

The NSFR is a measure implemented to ensure that banks maintain a stable funding profile over the longer term relative to the liquidity of their assets and off-balance-sheet activities. However, given our status as a small bank, we are exempt from this reporting obligation by CBUAE.

6.3. ELAR: Eligible Liquid Assets Ratio

AED '000

		30-Jun-2026		31-Mar-2026	
1	**High Quality Liquid Assets**	**Nominal amount**	**Eligible Liquid Asset**	**Nominal amount**	**Eligible Liquid Asset**
1.1	Physical cash in hand at the bank + balances with the CBUAE	2,563,006		1,943,678	
1.2	UAE Federal Government Bonds and Sukuks	1,008,558		1,144,724	
	Sub Total (1.1 to 1.2)	3,571,564	3,571,564	3,088,402	3,088,402
1.3	UAE local governments publicly traded debt securities	566,256		623,655	
1.4	UAE Public sector publicly traded debt securities	-		-	
	Sub Total (1.3 to 1.4)	566,256	566,256	623,655	623,655
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	-	-	-
1.6	**Total**	**4,137,820**	**4,137,820**	**3,712,057**	**3,712,057**
2	Total liabilities		23,692,966		23,032,458
3	**Eligible Liquid Assets Ratio (ELAR)**		**17.5%**		**16.1%**

6.4. ASRR: Advances to Stable Resources Ratio

AED 000s

	Items	30-Jun-2026 Amount	31-Mar-2026 Amount
1	**Computation of Advances**		
1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	12,427,718	12,122,080
1.2	Lending to non-banking financial institutions	428,088	220,486
1.3	Net Financial Guarantees & Stand-by LC (issued - received)	30,889	38,515
1.4	Interbank Placements	2,234,879	1,938,411
1.5	**Total Advances**	**15,121,574**	**14,319,492**
2	**Calculation of Net Stable Resources**		
2.1	Total capital + general provisions	4,399,161	4,198,280
	Deduct:		
2.1.1	Goodwill and other intangible assets	-	-
2.1.2	Fixed Assets	425,277	412,629
2.1.3	Funds allocated to branches abroad	-	-
2.1.5	Unquoted Investments	1,677	1,677
2.1.6	Investment in subsidiaries, associates and affiliates	-	-
2.1.7	**Total deduction**	426,954	414,306
2.2	**Net Free Capital Funds**	**3,972,207**	**3,783,974**
2.3	**Other stable resources:**		
2.3.1	Funds from the head office	-	-
2.3.2	Interbank deposits with remaining life of more than 6 months	1,000,000	1,162,310
2.3.3	Refinancing of Housing Loans	-	-
2.3.4	Borrowing from non-Banking Financial Institutions	1,681,831	1,477,828
2.3.5	Customer Deposits	14,177,830	13,068,023
2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-	-
2.3.7	**Total other stable resources**	**16,859,661**	**15,708,161**
2.4	**Total Stable Resources (2.2+2.3.7)**	**20,831,867**	**19,492,134**
3	**Advances TO STABLE RESOURCES RATIO (1.5 / 2.4)**	**72.6%**	**73.5%**

7. Credit Risk

7.1. CR1: Credit quality of assets

June 2026 AED 000s

		Gross carrying values of		Allowances / Impairments	Of which ECL accounting provisions for credit losses on SA exposures		Net values (a + b - c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Loans	428,588	15,312,935	413,964	183,853	230,111	15,327,559
2	Debt securities	0	8,298,308	20,458	0	20,458	8,277,850
3	Off-balance sheet exposures	1,609	4,088,706	19,833	1,078	18,755	4,070,482
4	**Total**	**430,197**	**27,699,949**	**454,255**	**184,931**	**269,324**	**27,675,891**

7.2. CR2: Changes in stock of defaulted loans and debt securities

June 2026 AED 000s

1	**Defaulted loans and debt securities at the end of the previous reporting period**	418,957
2	Loans and debt securities that have defaulted since the last reporting period	45,242
3	Returned to non-default status	-
4	Amounts written off	(38,525)
5	Other changes	2,914
6	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	**428,588**

7.3. CR3: Credit Risk Mitigation Techniques – Overview

June 2026 **AED 000s**

		Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans	14,038,172	1,268,639	552,887	20,748	20,748	-	-
2	Debt securities	8,277,850	-	-	-	-	-	-
3	**Total**	**22,316,022**	**1,268,639**	**552,887**	**20,748**	**20,748**	**-**	**-**
4	Of which defaulted	244,738	0.08	0.08	-	-	-	-

7.4. CR4: Standardized Approach - Credit Risk Exposure and Credit Risk Mitigation (CRM) effects

June 2026 **AED 000s**

		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Asset classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
1	Sovereigns and their central banks	8,343,462	15,110	8,343,462	15,110	2,107,699	25%
2	Public Sector Entities	1,954,060	5,604	1,922,204	5,604	1,031,154	53%
3	Multilateral development banks	423,623	0	423,623	0	239,656	57%
4	Banks	4,860,860	2,653,950	4,860,860	627,783	2,615,363	48%
5	Securities firms	13,372	974	13,372	974	7,173	50%
6	Corporates	5,056,817	6,632,300	4,535,397	2,744,072	7,026,418	97%
7	Regulatory retail portfolios	512,369	66,722	508,785	0	381,589	75%
8	Secured by residential property	2,364,351	0	2,364,351	0	1,001,052	42%
9	Secured by commercial real estate	3,587,801	121,974	3,529,093	23,151	3,552,244	100%
10	Equity Investment in Funds (EIF)	0	0	0	0	0	0%
11	Past-due loans	456,602	1,608	249,569	0	249,569	100%
12	Higher-risk categories	52,362	0	26,090	0	39,135	150%
13	Other assets	693,763	616	602,963	616	321,490	53%
14	**Total**	**28,319,441**	**9,498,858**	**27,379,770**	**3,417,311**	**18,572,542**	

7.5. CR5: Standardized Approach - Exposures by Asset Classes and Risk Weights

June 2026 **AED 000s**

	Risk Weight / Asset Classes	0%	20%	35%	50%	75%	85%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	4,664,558	614,801	-	2,227,260	-	-	813,644	38,310	-	8,358,573
2	Public Sector Entities	186,200	825,115	-	100,723	-	-	815,770	-	-	1,927,809
3	Multilateral development banks	-	-	-	367,934	-	-	55,689	-	-	423,623
4	Banks	-	686,166	-	4,648,697	-	-	153,779	1	-	5,488,644
5	Securities firms	-	-	-	14,346	-	-	-	-	-	14,346
6	Corporates	-	-	-	564,904	-	114,817	6,506,500	93,248	-	7,279,469
7	Regulatory retail portfolios	-	-	-	-	508,785	-	-	-	-	508,785
8	Secured by residential property	-	-	2,097,384	-	-	-	266,968	-	-	2,364,351
9	Secured by commercial real estate	-	-	-	-	-	-	3,552,244	-	-	3,552,244
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-	249,569	-	-	249,569
12	Higher-risk categories	-	-	-	-	-	-	-	26,090	-	26,090
13	Other assets	282,927	-	-	-	-	-	318,974	1,677	-	603,579
14	**Total**	**5,133,686**	**2,126,083**	**2,097,384**	**7,923,864**	**508,785**	**114,817**	**12,733,137**	**159,326**	**-**	**30,797,081**

8. Counterparty Credit Risk

Counterparty credit risk arises when the counterparty to a transaction could default before the final settlement of the transaction in cases where there is a bilateral risk of loss. The bilateral risk of loss is the key concept on which counterparty risk is calculated. Broad definition of counterparty credit risk includes wrong way risk. The Bank calculates the counterparty credit risk charge for all exposures that give risk to counterparty credit risk. The categories of transaction that give risk to counterparty credit risk are:

- Over the counter (OTC) derivatives
- Exchange traded derivative
- Long settlement transaction
- Securities financing transaction

The transactions listed above generally exhibit the following abstract characteristics:

- The transactions generate current exposure or market value
- The transactions have associated random future market value

8.1. CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

June 2026 **AED 000s**

		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	32,543	145,386		1.4	249,100	102,324
2	[redacted]						
3	Simple Approach for credit risk mitigation (for SFTs)						
4	Comprehensive Approach for credit risk mitigation (for SFTs)						
5	[redacted]						
6	**Total**						**102,324**

8.2. CCR2: Credit Valuation Adjustment (CVA) capital charge

June 2026 **AED 000s**

		EAD post-CRM	RWA
1	All portfolios subject to the Standardised CVA capital charge*	583,103	71,282
2	All portfolios subject to the Simple alternative CVA capital charge	-	-

8.3. CCR3: Standardized approach - CCR exposures by regulatory portfolio and risk weights

June 2026 **AED 000s**

Regulatory Portfolio / Risk Weights	0%	20%	50%	75%	100%	150%	Others	Total credit exposure
Sovereigns	15,110	-	-	-	-	-	-	15,110
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-
Banks	-	58,108	169,383	-	16	-	-	227,507
Securities firms	-	-	974	-	-	-	-	974
Corporates	-	-	-	-	5,508	-	-	5,508
Regulatory retail portfolios	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	**15,110**	**58,108**	**170,358**	**0**	**5,524**	**0**	**0**	**249,100**

8.4. CCR5: Composition of collateral for CCR exposure

June 2026 **AED 000s**

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	-	-	-	-	-	-
Cash - other currencies	9,217	-	3,887	-	-	40,449
Domestic sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	2,304,046
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**9,217**	**-**	**3,887**	**-**	**-**	**2,344,495**

8.5. CCR6: Credit derivative exposures

This disclosure is not applicable as the Bank does not have any exposure to credit derivatives.

8.6. CCR8: Exposures to central counterparties

This disclosure is not applicable as the Bank does not have any exposure to central counterparties.

9. Securitization

This disclosure is not applicable as the Bank does not hold any securitisation positions.

10. Market Risk

10.1. MR1: Market risk under the Standardized approach (SA)

AED 000s

		30 June 2026
		RWA
1	General Interest rate risk (General and Specific)	-
2	Equity risk (General and Specific)	-
3	Foreign exchange risk	10,376
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	[redacted]	
8	Securitisation	-
9	**Total**	**10,376**